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Financing of the United Nations Peacekeeping Forces in the Middle East: United Nations Disengagement Observer Force

United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 1998 to 30 June 1999 (A/54/707) and the proposed budget for UNDOF for the 12-month period from 1 July 2000 to 30 June 2001 (A/54/732). During its consideration of these reports, the Advisory Committee met with representatives of the Secretary-General and the Chief Administrative Officer of the mission, who provided additional information.

2. UNDOF was established by the Security Council in its resolution 350 (1974) of 31 May 1974 to supervise the ceasefire called for by the Council and the agreement on disengagement between Israeli and Syrian forces for an initial period of six months. Its mandate has since then been extended and adjusted by the Council in subsequent resolutions, the latest being resolution 1276 (1999) of 24 November 1999, in which the mandate of the Force was extended until 31 May 2000.

3. The Advisory Committee was informed that amounts totalling $1,211.9 million had been assessed on Member States for the period from inception until 31 December 1999, and that payments totalled $1,161.5 million, leaving a shortfall of $50.4 million.

4. Moreover, as of 31 January 2000 cash balances amounted to $27.4 million. The Advisory Committee was also informed that troop-contributing countries had received payments totalling $118,301,440 for the period from 1 December 1989 to 30 April 1999 and that an estimated amount of $9,071,716 was still due for the period from 1 May to 31 December 1999.

Performance report for the period from 1 July 1998 to 30 June 1999

5. The performance report (A/54/707) contains information on the financial performance of UNDOF for the period from 1 July 1998 to 30 June 1999. The report also outlines the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNDOF.

6. Paragraph 7 and table 1 of the performance report indicate that total resources made available to UNDOF for the period from 1 July 1998 to 30 June 1999 amounted to $35,400,100 gross ($34,506,400 net),

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inclusive of the amount of $1,756,200 for the support account for peacekeeping operations. Expenditures amounted to $33,662,500 gross ($32,916,100 net), leaving an unencumbered balance of $1,737,600 gross ($1,590,300 net) — approximately 4.9 per cent of the amount appropriated. Upon enquiry, the Advisory Committee was informed that unliquidated obligations as at 31 December 1999 had been reported at $13,316,672. Of that total amount, $9,222,510 was government-related, while $4,094,162 was not.

7. The Advisory Committee notes that the savings realized during the reporting period are mostly attributable to civilian vacancies, favourable unit costs obtained for the purchase of vehicles under systems contracts, favourable exchange rates and reduced procurement of equipment and supplies because of the availability of some of those items at the United Nations Logistics Base at Brindisi, Italy.

8. The Advisory Committee notes that savings totalling $601,700 are reported under civilian personnel costs out of a budgeted provision of $5,553,900. This was due mostly to the average monthly vacancy rate of 8 per cent for international staff and 4 per cent for local staff for the period, as well as the impact of the depreciation of the local currency on local staff costs.

9. Savings of $1,390,800 out of a budgeted provision of $4,550,500 are reported under transport operations. The Advisory Committee notes that an amount of $1,274,000 was saved as a result of the volume discounts obtained from systems contracts for vehicle purchases and the non-purchase of 27 vehicles because of the transfer of some vehicles and spare parts from the United Nations Logistics Base at Brindisi. Additional savings are reported under this budget item as a result of favourable exchange rates, which had an impact on workshop equipment, where savings of $10,100 are indicated, on petrol, oil and lubricants ($38,700), and under spare parts, repairs and maintenance ($65,000). Favourable exchange rates were also responsible for the under-expenditure of $214,000 reported under premises and accommodation, resulting from lower costs under maintenance supplies and services, as well as utilities.

10. However, the Advisory Committee notes that additional requirements of $143,200 are reported under military personnel costs. As indicated in paragraph 1 of annex II to the performance report, this was mostly the result of higher local costs during the interim four-month period between the expiry of an old rations contract and the awarding of a new one after competitive bidding. The Committee sought additional information since, in the case of the United Nations Interim Force in Lebanon (UNIFIL), savings, rather than over-expenditures, are reported as a result of the expiry of an old contract and the awarding of a new one. The Committee was informed that whereas UNIFIL had a larger stock capacity, UNDOF had the capacity to store only one month's reserve of rations. **The Committee trusts that, in future, there will be sufficient planning to allow for the necessary lead-time, thus avoiding excessive costs.**

11. The performance report indicates, in paragraph 9, that the action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNDOF is a decision on the treatment of the unencumbered balance of $1,737,600 gross ($1,590,300 net) for the period from 1 July 1998 to 30 June 1999. **The Advisory Committee recommends that Member States be credited their respective shares of the unencumbered balance for the period in question in a manner to be determined by the Assembly.**

Proposed budget for the period from 1 July 2000 to 30 June 2001

12. The cost estimates submitted by the Secretary-General in his report on the proposed budget of UNDOF for the period from 1 July 2000 to 30 June 2001 (A/54/732) amount to $34,946,700 gross ($34,195,300 net). As indicated in paragraph 2 and table 1 of that report, the proposed requirements represent a 5.1 per cent increase in relation to the appropriation of $33,247,500 for the period from 1 July 1999 to 30 June 2000. The increase in proposed resources is due to an increase in requirements under salaries and common staff costs for international and local staff, under premises and accommodation and under transport operations, offset by a decrease under communications and other equipment.

13. A decrease of $35,200 is shown under military personnel costs compared with the 1999/00 appropriation of $18,781,500. As indicated in paragraph 1 of annex I.C to the proposed budget report, reduced requirements are indicated under mission subsistence allowance as a result of a new door-to-door

delivery contract, which has reduced the need for travel by contingent personnel to pick up incoming shipments. The report indicates, in paragraph 21, that no contingent-owned equipment agreements have been signed with the troop-contributing Governments of UNDOF, with the exception of Japan. The Advisory Committee was further informed that a memorandum of understanding had been signed providing for reimbursement of seven vehicles on the basis of wet-lease rates. However, wet-lease rates are applied for budgeting purposes for all the UNDOF contingent-owned equipment.

14. The Advisory Committee was informed, as in the case of UNIFIL, that aside from the reluctance of the troop contributors to those two missions to convert to the new contingent-owned equipment arrangements, another factor militating against a faster change was that much of the equipment was United Nations-owned. The replacement of this equipment with new contingent-owned equipment, under the new arrangements, required extensive discussions and negotiations with the troop contributors involved.

15. The proposed requirements under civilian personnel costs of $5,158,000 reflect an increase of $147,700, or 3 per cent, in relation to the current apportionment. The staffing requirements of the Force provide for a total of 125 posts (38 international and 87 local), including 2 additional posts (1 P-3 Budget Officer post in Administrative Services and 1 General Service post in the Electronic Data-Processing Section), described in paragraphs 27 and 28 of the budget document. **The Advisory Committee recommends acceptance of this proposal.**

16. The Advisory Committee further notes that no vacancy rate factor has been applied to the staffing requirements and that part of the increase in requirements under this item results from a 5 per cent increase in local staff salaries effective 1 March 1999, as indicated in paragraphs 3 and 4 of annex I.C to the budget document. The Committee was further informed that, as at 31 December 1999, of the 36 international and 87 local authorized posts, 28 and 84 were encumbered respectively, resulting in a 23 per cent vacancy rate for international staff and 3.5 per cent for local staff).

17. The Advisory Committee recalls that in a previous report (A/53/895/Add.1) it referred to the use of mission appointees and the fact that it had been informed there were no staff under the 300 series of staff rules in UNIFIL, UNDOF, the United Nations Truce Supervision Organization, the United Nations Peacekeeping Force in Cyprus (UNFICYP) or the United Nations Logistics Base at Brindisi, since they were considered established duty stations. The Committee also indicated that it had been informed, upon enquiry, that there were no operational impediments preventing the hiring of 300-series employees. The Committee sought additional information in this regard and was informed by a representative of the Office of Human Resources Management of the current practices with regard to the use of limited duration contracts that relate to two pilot schemes (one at the United Nations, another at the United Nations Development Programme) approved by the International Civil Service Commission (ICSC) and endorsed by the General Assembly in its resolution 52/216 of 22 December 1997 (see also para. 25 of the Committee's omnibus report on the financing of peacekeeping operations, A/54/841). The Committee notes that ICSC is expected to continue its discussions on the issue of appointments of limited duration, based on the experience obtained up to now with both pilot projects, at its summer session this year.

18. As shown in annex I.A to the budget report, estimated requirements for operational costs increase from $8,722,800 for the period from 1 July 1999 to 30 June 2000 to $10,240,600 for the period under review — a 17.4 per cent increase. In this connection, the Advisory Committee notes an increase of $30,800 under premises and accommodation from an apportioned amount of $1,492,900 for the current 1999/00 period. Moreover, paragraph 17 of the budget report indicates that a new priority for the mission is to address the environmental consequences of the Force's activities and presence in the area of operations. As further indicated in annex I.C (para. 8) and annex II.C, for the first time, a non-recurrent provision of $200,000 is included in the budget for the treatment of human waste and disposal of UNDOF garbage, as well as related training material. The Committee was informed, upon enquiry, that a study was under way to determine the best method of implementing environmental activities. **The Committee's views and recommendations regarding the current case-by-case inclusion of resources for environmental activities are contained in paragraph 45 of its omnibus report (A/54/841).**

19. Additional requirements of $1,794,900 over the amount of $4,025,700 apportioned for the previous budget period are proposed under transport operations for 2000/01. Estimates provide for non-recurrent costs amounting to $3,950,843 for the replacement of 39 vehicles and the purchase of an additional 50 special types of vehicles. Under supplies and services, the proposed increase of $51,500 over the appropriated amount of $1,315,900 is the result of the reallocation of requirements for contractual services, as indicated in paragraph 13 of annex I.C.

20. Some decreases are proposed under operational costs, such as for communications, which is budgeted at $481,700 compared with $625,300 for the previous period, and other equipment, which is budgeted at $866,200, compared with $1,103,000 for the previous period.

21. Estimates of the direct support provided by the United Nations Truce Supervision Organization to UNDOF are contained in annex III to the budget document. In this regard, the Advisory Committee notes that for the two-year period from 1 January 2000 to 31 December 2001, the associated costs amount to $8,382,400, compared with $8,903,300 for the period from 1 January 1998 to 31 December 1999.

22. The Advisory Committee also recalls that the General Assembly, in its resolution 53/226 of 8 June 1999, upon the recommendation of the Committee (A/53/895/Add.1, para. 14), requested the Secretary-General to credit back to Member States, in a phased manner and within three years, the net balance of $13.6 million withheld as a result of the suspension of regulation 4.3 of the Financial Regulations of the United Nations. Under the terms of the same resolution an amount of $5.6 million was credited back to Member States during the fifty-third session of the Assembly. The Committee notes, as indicated in paragraph 31 of the budget document, that the Secretary-General is proposing to credit back to Member States, during the fifty-fourth session, an amount of $4,022,162, taking into account the current cash position of the Force, and to credit the remaining balance of $4,000,000 during the fifty-fifth session (2001), subject to the cash position of UNDOF at that time. **The Committee recommends acceptance of this proposal.** The Committee further notes that the Assembly, in paragraph 7 of its resolution 53/226, requested the Secretary-General to expedite the process of improving the working conditions of the Force. This issue and the measures taken by the UNDOF administration are indicated in paragraphs 32 to 34 of the budget document.

23. Paragraph 3 of the budget report outlines the actions to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNDOF. **The Advisory Committee recommends approval of the Secretary-General's proposal that the Assembly appropriate the amount of $34,946,700 gross ($34,195,300 net) for the 12-month period beginning 1 July 2000, to be assessed at a monthly rate of $2,912,225 gross ($2,849,608 net), subject to the extension of the mandate of the Force by the Security Council beyond 31 May 2000. The Committee also recommends that the Member States be credited, during the fifty-fourth session of the Assembly, the amount of $4,022,162 as part of the remaining net surplus balance held in the suspense account of UNDOF, in accordance with the provisions of paragraph 13 of resolution 53/226.**